
State: District of Columbia **Filing Company:** Allianz Global Risks US Insurance Company
TOI/Sub-TOI: 17.0 Other Liability-Occ/Claims Made/17.0006 Directors & Officers Liability
Product Name: Directors & Officers Liability Product
Project Name/Number: New Program Submission/AGCS-15-002-R

Filing at a Glance

Company: Allianz Global Risks US Insurance Company
Product Name: Directors & Officers Liability Product
State: District of Columbia
TOI: 17.0 Other Liability-Occ/Claims Made
Sub-TOI: 17.0006 Directors & Officers Liability
Filing Type: Rate/Rule
Date Submitted: 09/01/2015
SERFF Tr Num: WESA-130226123
SERFF Status: Pending Industry Response
State Tr Num:
State Status:
Co Tr Num: AGCS-15-002-R

Effective Date: On Approval
Requested (New):
Effective Date: On Approval
Requested (Renewal):
Author(s): Wesley Pohler
Reviewer(s): Monica Myers (primary)
Disposition Date:
Disposition Status:
Effective Date (New):
Effective Date (Renewal):

State:	District of Columbia	Filing Company:	Allianz Global Risks US Insurance Company
TOI/Sub-TOI:	17.0 Other Liability-Occ/Claims Made/17.0006 Directors & Officers Liability		
Product Name:	Directors & Officers Liability Product		
Project Name/Number:	New Program Submission/AGCS-15-002-R		

General Information

Project Name: New Program Submission	Status of Filing in Domicile: Pending
Project Number: AGCS-15-002-R	Domicile Status Comments: Pending in Illinois.
Reference Organization: N/A	Reference Number: N/A
Reference Title: N/A	Advisory Org. Circular: N/A
Filing Status Changed: 09/04/2015	
State Status Changed:	Deemer Date:
Created By: Wesley Pohler	Submitted By: Wesley Pohler
Corresponding Filing Tracking Number: AGCS-15-002-F	

Filing Description:

Allianz Global Risks US Insurance Company ("The Company") is introducing its primary Directors & Officers Liability Insurance Product for publicly traded companies for your review and approval. A letter permitting Westmont Associates, Inc. to file on The Company's behalf is enclosed.

The Company is filing its Directors & Officers Liability Insurance Product rates and rules as part of a new product offering in your jurisdiction. Attached are the rates and rules that will be used for this coverage.

Please note that the corresponding forms were submitted separately under Company Filing #: AGCS-15-002-F.

We respectfully ask for your approval and/or acknowledgment of this filing submission. If you have any questions regarding the enclosed filing, please do not hesitate to contact me at (856) 216-0220. Thank you for your attention to this matter.

Company and Contact

Filing Contact Information

Jennifer Waldron, Supervisor	jenb@westmontlaw.com
25 Chestnut Street	856-216-0220 [Phone]
Suite 105	856-216-0303 [FAX]
Haddonfield, NJ 08033	

Filing Company Information

(This filing was made by a third party - westmontassociatesinc)

Allianz Global Risks US Insurance Company	CoCode: 35300	State of Domicile: Illinois
225 W. Washington Street	Group Code: 761	Company Type: Property and Casualty
Suite 1800	Group Name: Allianz	State ID Number:
Chicago, IL 60606-3484	FEIN Number: 95-3187355	
(312) 224-3300 ext. [Phone]		

Filing Fees

Fee Required?	No
Retaliatory?	No
Fee Explanation:	

State:	District of Columbia	Filing Company:	Allianz Global Risks US Insurance Company
TOI/Sub-TOI:	17.0 Other Liability-Occ/Claims Made/17.0006 Directors & Officers Liability		
Product Name:	Directors & Officers Liability Product		
Project Name/Number:	New Program Submission/AGCS-15-002-R		

Correspondence Summary

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Monica Myers	09/04/2015	09/04/2015

Response Letters

Responded By	Created On	Date Submitted
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State: District of Columbia **Filing Company:** Allianz Global Risks US Insurance Company
TOI/Sub-TOI: 17.0 Other Liability-Occ/Claims Made/17.0006 Directors & Officers Liability
Product Name: Directors & Officers Liability Product
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Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	09/04/2015
Submitted Date	09/04/2015
Respond By Date	09/18/2015

Dear Jennifer Waldron,

Introduction:

Please modify your filing to cap each of your risk group factor ranges at +/- 25% of the midpoint factor.

Please modify your filing to cap each of your risk characteristic factor ranges at +/- 25% of the midpoint factor.

Conclusion:

Sincerely,
Monica Myers

State:	District of Columbia	Filing Company:	Allianz Global Risks US Insurance Company
TOI/Sub-TOI:	17.0 Other Liability-Occ/Claims Made/17.0006 Directors & Officers Liability		
Product Name:	Directors & Officers Liability Product		
Project Name/Number:	New Program Submission/AGCS-15-002-R		

Rate Information

Rate data applies to filing.

Filing Method:	File & Use
Rate Change Type:	Neutral
Overall Percentage of Last Rate Revision:	0.000%
Effective Date of Last Rate Revision:	
Filing Method of Last Filing:	

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Allianz Global Risks US Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

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Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		D&O Protect Rating Plan	Pages 1 - 7	New		AGCS Rating Plan ML-PUBLIC-DO-CW.pdf

ALLIANZ GLOBAL RISKS US INSURANCE COMPANY
ALLIANZ D&O PROTECT
RATING PLAN

I. CONTENTS

This manual contains the rules and rates for the Allianz D&O Protect program.

II. SCOPE OF COVERAGE

This program is designed to provide primary coverage for D&O Liability for publicly traded companies.

III. WHOLE DOLLAR

Any premium calculated in accordance with this manual must be rounded to the nearest whole dollar. Any premium amount involving \$.50 or more will be rounded to the next higher whole dollar and any premium amount involving \$.49 or less will be rounded to the next lower whole dollar.

IV. PREMIUM CALCULATION

1. **Base Premium**

The base premium is determined using the table below based on the insured's asset size.

Asset Size (in \$ millions)	Base Premium
0 <= 2.5	\$9,000
> 2.5 and <= 5	\$11,500
> 5 and <= 10	\$13,500
> 10 and <= 25	\$15,000
> 25 and <= 50	\$17,500
> 50 and <= 100	\$22,250
> 100 and <= 150	\$25,000
> 150 and <= 250	\$30,000
> 250 and <= 500	\$35,000
> 500 and <= 750	\$37,500
> 750 and <= 1,000	\$39,000
> 1,000 and <= 2,500	\$42,500
> 2,500 and <= 5,000	\$45,000
> 5,000 and <= 10,000	\$50,000
> 10,000 and <= 15,000	\$55,000
> 15,000 and <= 25,000	\$64,000
> 25,000 and <= 50,000	\$80,000
> 50,000 and <= 100,000	\$110,000
> 100,000	Refer to Company

**ALLIANZ GLOBAL RISKS US INSURANCE COMPANY
ALLIANZ D&O PROTECT
RATING PLAN**

2. Limit / Retention Factors

The limit/retention factor to be applied to the base premium from Step 1 above is determined by using the formula below:

$$\text{ILF}(\text{Layer Limit}) = \text{ILF}(\text{Layer Limit} + \text{Retention}) - \text{ILF}(\text{Retention})$$

An example of the calculation of the ILF for the \$10,000,000 layer above a \$5,000,000 retention for a Financial entity is as follows:

$$\text{ILF}(\$10,000,000 \text{ Layer}) = \text{ILF}(\$15,000,000) - \text{ILF}(\$5,000,000) = 10.460 - 4.402 = \underline{6.058}$$

The chart below shows sample ILFs for several limits. The base ILF (1.000) is for a \$1,000,000 limit with a \$0 retention. Factors for limits of \$25,000,000 and above are determined on a "Refer to Company" basis.

Limit (\$)	Factor (Financial)	Factor (Commercial)
500,000	0.508	0.530
1,000,000	1.000	1.000
2,000,000	1.935	1.812
2,500,000	2.378	2.171
3,000,000	2.808	2.505
4,000,000	3.628	3.111
5,000,000	4.402	3.652
7,500,000	6.168	4.797
10,000,000	7.741	5.734
12,500,000	9.162	6.526
15,000,000	10.460	7.212
20,000,000	12.760	8.351
25,000,000	Refer to Company	Refer to Company

Interpolation/extrapolation should be used for limits not shown above.

3. Coinsurance / Pre-Set Allocation

Apply the appropriate factor from the table below (based on the Coinsurance percentage or the uninsured percentage of the Pre-set Allocation) to the premium resulting from Step 2 above.

Coinsurance/Pre-set Allocation %	Factor
0%	1.00
5%	0.95
10%	0.90
15%	0.88
20%	0.85
25%	0.82
30%	0.80
35%	0.78
40%	0.77
45%	0.76
50%	0.75

**ALLIANZ GLOBAL RISKS US INSURANCE COMPANY
ALLIANZ D&O PROTECT
RATING PLAN**

4. Risk Group Factors

The following modifiers based on the insured's Risk Group are applied to the premium from Step 3 above.

Risk Group	Factor	Description
Low	0.20 – 0.49	Any non-technology, non-healthcare account with low exposure
Target	0.50 – 1.50	Any entity other than Low, Difficult or Higher Risk
Difficult	1.51 – 3.49	Any entity which has some of the following risk characteristics listed below
Higher Risk	>= 3.50	Any entity which has many of the following risk characteristics listed below

Risk Group Characteristics	
➤	Companies in industries with high stock volatility
➤	Companies operating in heavily regulated industries
➤	Companies with complex accounting standards
➤	Companies operating in industries with rapid product development
➤	Companies with capital deficit, or other issues which threaten solvency
➤	Companies operating in industries with high instance of changing consumer trends
➤	Industries highly susceptible to litigation

5. Coverage and Policy Type Factor

If the insured selects Full Coverage, proceed directly to Step 6 (Other Rating Modification Factors). If Non-indemnifiable coverage only is selected, complete Step 5 as follows before proceeding to Step 6:

5a: Non-indemnifiable Coverage Factor

If Non-indemnifiable coverage only is selected, an appropriate factor from the filed range of 0.25 to 0.75 should be applied to the premium from Step 4 above.

5b: Non-indemnifiable Risk Modifiers

Select factors as appropriate for the risk from the categories below and apply multiplicatively to the premium from Step 5a.

Financial Solvency	From	To
Strong	0.80	0.99
Average	1.00	1.09
Poor	1.10	1.25

Indemnification Laws Based Upon State of Incorporation	From	To
Strong	0.80	0.99
Average	1.00	1.09
Poor	1.10	1.25

ALLIANZ GLOBAL RISKS US INSURANCE COMPANY
ALLIANZ D&O PROTECT
RATING PLAN

Derivative Exposure	From	To
Low	0.80	0.99
Medium	1.00	1.09
High	1.10	1.25

6. Risk Characteristic Factors

Factors from the tables below should be applied multiplicatively to the premium resulting from Step 4 or 5, as appropriate.

Number of Years in Business	From	To
Less than 1 year	1.06	3.00
1 up to 3 years	1.06	2.50
More than 3 up to 5 years	1.06	2.00
More than 5 up to 10 years	0.96	1.75
More than 10 up to 15 years	0.85	1.50
More than 15 up to 20 years	0.85	1.50
More than 20 years	0.75	1.50

Number of Years Since IPO	From	To
Less than 1	1.06	1.25
1 up to 2 years	1.06	1.25
More than 2 up to 3 years	1.06	1.25
More than 3 up to 5 years	0.96	1.05
More than 5 up to 10 years	0.85	0.95
More than 10 up to 20 years	0.85	0.95
More than 20 years	0.85	0.95

D&O Litigation	From	To
None	0.75	1.00
Minimal	0.90	2.00
Material	1.00	2.50
Significant	1.10	4.00

Other Litigation	From	To
Any Claim Activity	0.85	2.50

Litigation Severity	From	To
Below Average	0.80	0.99
Average	1.00	1.09
Above Average	1.10	1.50

ALLIANZ GLOBAL RISKS US INSURANCE COMPANY
ALLIANZ D&O PROTECT
RATING PLAN

Securities Offering	From	To
< 1 year		
Minimal	1.00	1.50
Material	1.00	2.50
Significant	1.00	4.00
1 to 3 years		
Minimal	1.00	1.25
Material	1.00	1.50
Significant	1.00	2.00
More than 3 years up to 7 years		
Minimal	0.85	1.15
Material	0.90	1.25
Significant	1.00	1.50

Mergers, Acquisitions, and Divestitures	From	To
No Activity	0.90	1.00
Little Activity	1.00	1.75
Moderate Activity	1.00	2.50
Significant Activity	1.00	4.00

Peak Market Cap in the Last 24 Months	From	To
<= \$10mm	0.85	0.95
> \$10mm <= \$100mm	0.95	1.05
> \$100mm <= \$500mm	1.00	1.25
> \$500mm <= \$1 billion	1.00	1.50
> \$1 billion <= \$5 billion	1.00	2.00
> \$5 billion	1.00	2.50

	From	To
Significant Transaction Event	1.00	4.00

Stock Performance	From	To
Below Average	1.25	2.00
Average	1.00	1.24
Above Average	0.80	0.99

D&O Ownership of Stock (%)	From	To
Less than 10%	1.00	1.10
10% to 50%	0.95	1.00
Greater than 50%	0.85	0.95

Earnings Consistency	From	To
Excellent	0.75	0.95
Above Average	0.96	1.05
Average	1.06	1.25
Below Average	1.26	1.75

ALLIANZ GLOBAL RISKS US INSURANCE COMPANY
ALLIANZ D&O PROTECT
RATING PLAN

Quality of Balance Sheet	From	To
Above Average	0.75	1.00
Average	1.00	1.00
Below Average	1.00	1.25

Cash Flow from Operations	From	To
Above Average	0.75	1.00
Average	1.00	1.00
Below Average	1.00	1.25

Income Statement	From	To
Above Average	0.75	1.00
Average	1.00	1.00
Below Average	1.00	1.25

Financial Guidance	From	To
Offered	1.00	2.00
Not Offered	0.75	1.00

Management Experience Level	From	To
Above Average	0.80	1.00
Average	1.00	1.00
Below Average	1.00	1.50

Quality of Board Members	From	To
Above Average	0.80	1.00
Average	1.00	1.00
Below Average	1.00	1.50

Management Stability	From	To
Above Average	0.75	0.95
Average	0.96	1.05
Below Average	1.06	1.50

All Other Risk Characteristics	From	To
Major Customers	0.80	1.50
Environmental Issues	0.80	1.50
Insider Trading Activity	1.00	1.50
Labor Relations	0.80	1.50
Takeover Potential	0.80	1.50
Corporate Governance Procedures	0.75	1.50
Regulatory Exposure/Experience	0.90	2.00
Joint Ventures/Limited Partnerships	1.00	2.50
Publicly Traded Subsidiaries	1.00	2.50
Special Purpose Vehicles	1.00	2.50

Complexity of Risk	From	To
Low	0.80	0.95
Average	0.96	1.05
High	1.06	1.50

ALLIANZ GLOBAL RISKS US INSURANCE COMPANY
ALLIANZ D&O PROTECT
RATING PLAN

7. Expense Modification Plan

Apply expense modifier for the account-related expense of underwriting and account handling or to reflect higher or lower commissions.

Eligibility:

A risk is eligible for the application of the Expense Modification Plan to the extent that such expense characteristics are not already reflected in the base rates and that any credit or debit developed under this section does not duplicate modification which had been contemplated on any other rating plan or schedule rating modification applied to the same risk.

Rules:

1. Document the individual underwriting file to support the application of the expense modifier.
2. Maximum modification in rates under this plan shall not exceed +/-25%.
3. The Expense Modification Plan is in addition to any Schedule Rating modifications applicable to the risk provided there is no duplication of credits or debits.

8. Minimum Premium

The minimum premium is \$3,000.

9. Discovery (Extended Reporting Period)

% of Previous Year (Expiring) Annual Premium:

Number of Years	From	To
1 year	75%	150%
2 years	100%	200%
3 years	100%	250%
Over 3 years	Refer to Company	

10. Run-Off Coverage

Refer to Company

State:	District of Columbia	Filing Company:	Allianz Global Risks US Insurance Company
TOI/Sub-TOI:	17.0 Other Liability-Occ/Claims Made/17.0006 Directors & Officers Liability		
Product Name:	Directors & Officers Liability Product		
Project Name/Number:	New Program Submission/AGCS-15-002-R		

Supporting Document Schedules

Satisfied - Item:	Consulting Authorization
Comments:	Please see letter of authorization attached below.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Certification (P&C)
Bypass Reason:	As a new program this requirement does not apply.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
Bypass Reason:	This requirement does not apply.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	This requirement does not apply.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Cover Letter
Comments:	Attached is the cover letter for this submission.
Attachment(s):	Cover Letter (Rates).pdf
Item Status:	
Status Date:	

Satisfied - Item:	Letter of Authorization
Comments:	Attached is a letter authorizing Westmont Associates, Inc. to submit this filing on the Company's behalf.
Attachment(s):	20150708 Letter of Authorization Westmont Assc FINSIG.pdf
Item Status:	
Status Date:	

SERFF Tracking #:	WESA-130226123	State Tracking #:		Company Tracking #:	AGCS-15-002-R
State:	District of Columbia	Filing Company:	Allianz Global Risks US Insurance Company		
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August 28, 2015

Department of Insurance
Property and Casualty Division
Rate Review Section

RE: Allianz Global Risks US Insurance Company
NAIC #: 35300
FEIN #: 95-3187355
D&O Protect
Directors & Officers Liability Product Rate and Rule Filing
Company Filing Number: AGCS-15-002-R
Effective Date: Upon Earliest Possible Approval/Acknowledgment

To Whom It May Concern:

Allianz Global Risks US Insurance Company ("The Company") is introducing its primary Directors & Officers Liability Insurance Product for publicly traded companies for your review and approval. A letter permitting Westmont Associates, Inc. to file on The Company's behalf is enclosed.

The Company is filing its Directors & Officers Liability Insurance Product rates and rules as part of a new product offering in your jurisdiction. Attached are the rates and rules that will be used for this coverage.

Please note that the corresponding forms were submitted separately under Company Filing #: AGCS-15-002-F.

We respectfully ask for your approval and/or acknowledgment of this filing submission. If you have any questions regarding the enclosed filing, please do not hesitate to contact me at (856) 216-0220. Thank you for your attention to this matter.

Respectfully Submitted,

Jennifer Waldron

Jennifer Waldron
Managing Director of State Filings
jenb@westmontlaw.com

Enc.

Cc: L. Coppola – Allianz Global Risks US Insurance Company
N. Stepanski – Westmont

Allianz Global Corporate & Specialty

Julie A. Garrison

SVP, General Counsel & Corporate Secretary

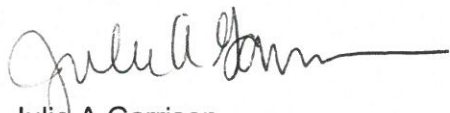
July 8, 2015

**Re: Allianz Global Risks US Insurance Company
NAIC #: 761-35300 / FEIN: 95-3187355
Letter of Authorization
Filing of Forms, Rates and Rules
Allianz D&O Protect**

To Whom It May Concern:

Westmont Associates is hereby authorized to submit rate, rule, and form filings on behalf of Allianz Global Risks US Insurance Company. This authorization includes providing additional information and responding to questions regarding the filings on our behalf as necessary. This authorization is deemed to be in effect until rescinded in writing.

Best regards,



Julie A Garrison